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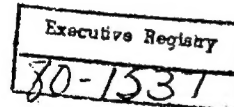
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SCHOOL OF ADVANCED INTERNATIONAL STUDIES

THE JOHNS HOPKINS UNIVERSITY

1740 MASSACHUSETTS AVENUE, N. W. WASHINGTON, D. C. 20036



June 6, 1980

Admiral Stansfield Turner
Director
CIA
Washington, D. C.

Dear Stan,

I take the liberty of sending you a copy of remarks I made recently at the Woodrow Wilson Center. Unlike Dick Holbrooke, I take the position that all is not well in our relationship with the Japanese, though I think we could be getting them to do more in our relations with the Russians.

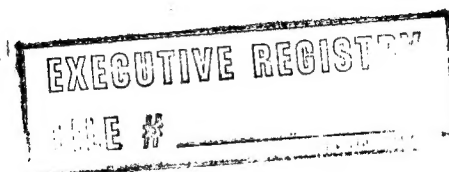
I am off for Japan and Korea: We shall soon have two new governments there; I want to see what they shall be like.

Sincerely yours,

Nat B

Nathaniel B. Thayer
Director of Asian Studies

Enclosure



Major Power Relations in East Asia

The text of remarks given at the Woodrow Wilson Center
in Washington, D.C. on May 6, 1980 by

Nathaniel B. Thayer of the
School of Advanced International Studies at the
Johns Hopkins University

May 1980

Nathaniel B. Thayer

MAJOR POWER RELATIONS IN EAST ASIA

On January 25, 1980, Prime Minister Masayoshi Ohira in his opening speech to the 91st session of the Diet, declaimed, "In order to maintain the fundamental international order, we must actively assume a role and responsibility appropriate to our position in international society." To my knowledge, this is the first clear prime ministerial call for greater international activity since the end of World War II. If the Japanese respond to the urging of their prime minister, what will they do? And will their actions assist or hamper the United States in the pursuit of its interests? Today, I would like to concentrate on big power relations. I would like to compare Japan's attitudes and policies with United States' attitudes and policies towards China and the USSR.

The current state of Japanese-American relations is open to debate. Prime Minister Ohira has stated "that to a degree rarely matched in history, relations are warm and close." Assistant Secretary of State Richard Holbrooke has said, "Our political and strategic relations with Japan have never been stronger." Others in the American government have voiced similar sentiment. I will agree that there is no Japanese-American crisis bubbling on the front burner and even if there were, both nations have competent diplomats who work well together and I am confident they could turn off the heat. Instead, I find the citizens of both nations undergoing a quiet but fundamental change in attitude. I find in Japan a growing willingness to see the United States as a declining power with

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a hidden desire to sneak out of East Asia. Reading American attitudes towards Japan is a little harder. On one hand, I recall public opinion polls reporting that almost all Americans recognize Japan as one of the nations with which United States should get along well in pursuing its interests. On the other hand, I believe we have allowed our trade problems with Japan to escape the Executive offices and reverberate through Congress long enough and loud enough to convince many Americans that the Japanese connection really hurts the American economy. This conviction has become entangled with American nationalism and turned emotional. I find the situation serious because I see no easy way to reverse this trend.

Over the postwar years, the Japanese have deferred to the Americans on political questions of foreign policy. A good case in point is China. The Japanese did not recognize China because the Americans did not, although the Japanese government had long believed privately that peace would not come to East Asia until the Chinese government on the mainland was brought into the comity of nations. It was only after President Nixon had visited China and made clear his intent that the Japanese moved to reestablish relations with China. That was in 1972.

For the past eight years and particularly in the past year, relations between the two nations have advanced dramatically. Which nation was most instrumental in bringing about these changes? Difficult to say. Both nations offered initiatives to which the other nation responded. Nor can the observer conclude that either country was developing the relationship in accord with a preconceived plan. But in hindsight, the Japanese moves fall into a pattern: While broadening and deepening its

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ties with China, Japan has advised the Chinese that its endeavors have limits. It has reassured other nations that its growing cordiality with the Chinese will not affect adversely its relations with them.

How to evaluate Sino-Japanese relations? Prime Minister Ohira made a trip to China this past December. Since the demise of Mao, China has labored to expand its ties with the industrialized world -- Western Europe, the United States, and Japan. After visiting China and reading the reports of Ohira's visit, I am confirmed in my belief that China's ties are closest to Japan.

I suggest several reasons for this cordiality. First, the Japanese are genuinely interested in China. Since the turn of the century, Japanese intellectuals have felt a responsibility for assisting in the Chinese revolution and since the Chinese communist takeover in 1949, the Japanese businessmen have been looking for a way back into the Chinese market. The Chinese have seen Japan as the one Asian nation that has become a modern state and they seem to find comfortable using Japan as a model for development. The Chinese and the Japanese seem to have genuine affection for each other. Americans can bring to mind most vividly Japan's military filibustering in Manchuria and Northern China. The Chinese seem to have forgotten it. During the last Ohira visit, the Chinese played Imperial Japanese Navy songs at a banquet to entertain their Japanese guests. Ohira quoted a little Northern Sung poetry in a speech. Other Japanese prime ministers on earlier visits have given their Chinese hosts examples of their own calligraphy. This intimacy is much the same as the intimacy shown by the British and the Americans during the fifties and early sixties when we described the Anglo-American

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alliance as something special.

Intimacy has perhaps made easier the Japanese task of letting the Chinese know that differences exist between the two countries. Ohira, for example, told the Chinese that Japan's policy toward China derives from a world outlook in which, to secure peace and progress, all nations must share equally in benefits and responsibilities. More specifically, Ohira promised funding for six major industrial projects, but made the point that Japan's aid to China would be "in balance with Japan's aid to ASEAN and its component states." Ohira also told the Chinese he intends to resume aid to Vietnam since he believes that such a move will ultimately contribute to the peace of the region. He further told the Chinese that Japan would not supply the Chinese with military arms nor undertake military actions on China's behalf. Finally he told the Chinese that Japan wanted to sign a peace treaty with the Soviet Union though relations with it were "not developing appreciably."

The Japanese have also been careful to keep other nations fully informed on their relations with China. No sooner had Ohira returned to Tokyo than he had the Russian Ambassador called in and assured that Japan contemplated no changes with the Soviet Union as a result of this visit. A diplomatic mission was sent to the South East Asian nations to quell fears that the Chinese were going to get preferential treatment. The Americans were also given a full briefing on the results of the visit.

How does Japanese policy towards China mesh with American policy towards China? The United States, too, is engaged in expanding its relations with China. Although I anticipate that the business corporations of the two countries will vigorously compete in searching out business

opportunities, I see nothing that need unduly upset the diplomatic establishments of the two countries unless perhaps it be over military cooperation with and the sale of high technology to China.

With regard to military cooperation, the Americans may be a little more forthcoming than the Japanese would like, though Japanese thoughts are jumbled. Some Japanese see China as unstable and unpredictable and in those circumstances do not want Chinese military forces strengthened. Other Japanese see the United States as unstable and unpredictable and see closer military cooperation between China and the United States as a way of further anchoring the American presence in East Asia. Still other Japanese see closer military cooperation between China and the United States leading to the call for greater military cooperation between Japan and China. They recall that China was the vehicle which the Japanese military officers used to take over the Japanese government in the 1930s. At one time, Japanese saw the Chinese as menacing, though recently, Japanese views have mellowed, primarily because the Chinese are urging the Japanese to build their military strength and the Japanese cannot conceive of an enemy doing that. The latest high level exchange took place on April 30 between Yasuhiro Nakasone, a Japanese politician who hopes to be the successor to Prime Minister Ohira and Hua Guofeng, the Prime Minister of the Peoples Republic of China:

NAKASONE: Although Japan is a major economic power, it does not wish to become a major military power. Should Japan become a major military power and tie up with China, a 'yellow peril' fear would emerge in both Europe and America. There is the thought among some Japanese that the Far East is best defended by strengthening the American air force, the Chinese ground forces, and the Japanese navy. What is your view?

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HUA: I hope Japan will become strong and prosperous. China supports the strengthening of Japan's defenses. I believe Japan should increase her military expenditures somewhat. As a sovereign nation, you ought to have military strength. I note your idea for the strengthening of America's air force, China's ground forces, and Japan's navy but Japan must strengthen its air power. Without air supremacy, the navy can't do much.

Close cooperation between China, Japan, and the United States in military affairs would heighten USSR concern and might lead to a greater Soviet build-up in East Asia. The Japanese would have difficulty in persuading the Russians that Japan's relations with the Chinese were independent of Japan's relations with the USSR. With no consensus among all Japanese, few Japanese want to extend military cooperation to the Chinese and are reluctant to see the Americans extend military cooperation except for extremely limited goals -- goals that would not upset the Russians.

With regard to high technology, the Americans and the Japanese have different views. The COCOM committee has been the vehicle in the past for deciding what commodities and what processes should not be sold to the socialist nations and the Japanese have not seen the committee as particularly supportive of its interests.

Americans have done little nay-saying to the Chinese. Many Japanese find this lack of nay-saying unusual, since the United States is usually specific about what it will and what it won't do, particularly in its relations with socialist countries. They worry. They point out that for reasons not totally rational, the United States has swung widely in its sympathies over the past century, sometimes aligning itself with the

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Japanese, sometimes aligning itself with the Chinese. These Japanese see the restoration of formal relations with the Chinese as the beginning of another long, inexorable groundswell which will end with the Americans favoring the Chinese to the detriment of the Japanese. Other Japanese do not see America's pro-Chinese sentiments as inevitably turning anti-Japanese, but do fear that the United States is far too sanguine about China and would appreciate greater realism in American calculations.

It is when China is considered as a factor in relations with third countries -- specifically, the Soviet Union -- that Japan and the United States seem to be going in opposite directions. Japan, we have seen, has been moving towards greater specificity in its relations with China and has tried to isolate Sino-Japanese relations from Russo-Japanese relations. The United States, on the other hand, has seen in establishing close relations with China, a means of ameliorating the Soviet Union's behavior. To this end, the United States has made its relations with China as ambiguous and as threatening as possible.

One can argue whether or not American policy has been successful. Certainly, the United States' close identification with China did not deter the Soviet Union from its attack on Afghanistan, though neither the United States nor China had specified Afghanistan as a nation whose independence was vital to its interests. But let me put the discussion of Afghanistan aside for the moment. First, I want to explore whether Japan and the United States, the two most powerful nations of the Pacific, somehow aren't stepping on each other's toes since their policies toward China are going in opposite directions. That requires a brief description of Japan's policy towards the Soviet Union.

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In contrast with Japanese relations with China which have advanced with warmth and good feeling over the past decade, Japan's relations with the Soviet Union have been mired in distrust and intransigence since 1956, the year when Japan and the Soviet Union signed a Peace Declaration. Since then, there have been numerous exchanges between the Japanese and the Russians: in fish, coastal trade, and some commercial [economic] discussions [where] the two sides have shown grudging accommodation; other exchanges have ended more often than not with no settlement. There is still no peace treaty.

The Japanese, from the man in the street to the diplomat, offer a unified view of the Soviet Union. The Soviets broke a non-aggression pact they had signed with Japan to enter World War II. Though they did little fighting, they shared in the fruit of victory. The Soviets treated cruelly the Japanese prisoners of war they took in their invasion of Manchuria. The Soviets have threatened Japan with nuclear weapons. The Soviets have seized and refused to return four islands off Japan's northern coast, islands which the Japanese regard as their territory. They harass and often do not allow Japanese to visit their relatives' graves on the islands. They arrest and incarcerate Japanese fishermen who venture into surrounding waters. Finally -- a more recent development -- the Soviets have been rearming the islands, which together with a build-up in other parts of Asia can only be directed at intimidating Japan.

The Japanese have concluded that the Russians care little about international good will, much less about Japanese good will. They perceive the Russians responding favorably to Japanese requests only if they see concrete benefits accruing to the Soviet Union for doing so.

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Recognizing the Soviet Union is a growing power, probably destined to play a greater role in East Asian affairs, the Japanese have continued to search for ways to influence the Russians. Since the late sixties they have opened up an economic front. Although harshly critical of the Soviet Union's political behavior, each prime minister, particularly the past three prime ministers who have presided over a fully mature Japanese economy, have been careful always to leave the door ajar for the establishment of closer relations.

Trade has grown rapidly. Japan has extended roughly two billion dollars in credits for the Russian purchase of industrial plants. Promising as this field is, the real future lies in the development of Siberia. Starting with the exploitation of forest reserves in the Amur province, the Japanese have agreed to construct a new port at Wrangel bay, develop a wood chip industry, mine coking coal and prospect for natural gas in Yakutia. In 1977, the Japanese and the Russians discovered natural gas and petroleum in the continental shelf off Sakhalin, and set up a joint economic committee to consider further economic projects.

The Japanese have rejected several Russian proposals. They refused to build a railroad for the Russians to transport oil to the Pacific coast since that railroad could also transport Soviet military supplies. They refused to build an atomic power plant for the Russians on Sakhalin to supply Hokkaido since that would make this Japanese island dependent on the Russians for electrical power. They have refused to enter into a long-range agreement describing joint projects to be undertaken over the next ten, fifteen, perhaps twenty-five years since that would mitigate

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one of the principal reasons that the Japanese are permitting these undertakings at all -- to influence Soviet behavior. What the Japanese want now is American participation. That would provide the clout and capital to demand even greater and higher Soviet consideration.

How does American policy towards the Soviet Union mesh with Japanese policy towards the Soviet Union? Clearly, both nations see Russia through highly critical eyes, hanging tough in relations with it, the Japanese perhaps being a little more critical and a little tougher than the United States. Though basic attitudes are the same, the reasons for assuming these basic attitudes are different. American attitudes were formed first at the Riga consulate in Latvia where most of our Soviet specialists studied and observed the USSR during the 20s and 30s, but given public credence through the Cold War, as it was fought in Europe. Japanese attitudes were born of clashes with the Russians for control of Korea at the beginning of the century, later developed in Manchuria and Mongolia at Changkufeng and Nomonhan, battles about which the Americans know little or nothing. These attitudes were given public credence perhaps through the Korean War although the Japanese played a very small role in that, more likely through Russian treatment of Japanese POWs and the Northern Islands issue. In sum, the Japanese and the American march with the same step but to different drummers.

Strategies also are different. The Americans have given containment their highest priority. They have been willing to counter the Soviets almost anywhere in the world, first through political moves, but ultimately relying on the threat of military force. There have been some tense moments, but generally the United States has seen its survival and the

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world order as dependent on limiting Soviet expansion, thus justifying this tension.

Japan, on the other hand, has given its highest priority to the creation of a strong economy. Primarily for domestic political reasons but also because the Russians have not been particularly active in North Asia since the Korean War, the Japanese have not built strong armed forces. Low grade force has meant that Japan has not been able to command top Soviet attention, much less change Soviet policies. In truth, the Japanese have been willing to tolerate this inattention since so little other than the Northern Islands were at stake. Since American strategies engendered high tension and Japanese interests were of low magnitude, the Japanese have steered clear of other than a verbal role in Soviet containment.

This era is coming to an end. The Japanese have become a major power with interests throughout the world, interests which sooner or later, the Soviets are going to monkey with. Moreover, the Soviets have started a build-up in Soviet Asia which the Japanese find threatening. The Afghanistan invasion has demonstrated that the Soviets will use armed force in Asia even though only marginal interests are in jeopardy. Domestic conditions have changed enough so that Japan can strengthen her armed forces, though public opinion does not permit and probably never will permit the use of these armed forces for other than self defense. Finally, the Japanese have developed an economic strategy that looks promising, though it has not changed Soviet attitudes. In sum, the Japanese are beginning to do some new things about the Soviet Union. The question is: Need the Americans do some new thinking as well?

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I would urge that they should. The United States still must contain the Soviet Union. Since the Soviet Union is now far stronger and active in most parts of the world than it has been in the past, we must be more selective in regions, strategies, and purposes over which we challenge and check the Soviets. But clearly East Asia is of vital concern.

In becoming more selective, I would suggest that our first correction should be terminating the use of China to threaten the Soviet Union. First, this is not a policy that can be calibrated to counter with precision Soviet moves. This policy is either on or off. And once turned on, there seems to be no way to predict results. Finally, I don't think we are prepared to accept the costs or consequences of fully arming the Chinese. And short of that, there is a large element of bluff in this strategy, which worries our allies as much as the Russians.

I would urge that the United States adopt a "Japan strategy" towards China. This strategy would have three elements. Firstly, we should pursue a policy of balance: we should not allow our China policy to overwhelm the interests of other friends and allies in East Asia. We trade today more with South Korea than we do France. The Indonesians still see China as a threat. They talk of increasing the Russian presence in their country since they no longer believe the United States will assist them if such assistance works against Sino-American relations.

Secondly, I believe our interests are best served if we concentrate on Chinese internal development. China's primary goal is to become a modern state and its present leaders are willing to cooperate with the free world to that end. Should these leaders fail, new leaders will come forth who may take China along roads not in our interests.

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Thirdly, I believe we should not attempt to rearm China. Existing Chinese armed forces, particularly China's nuclear weapons, have been sufficient to deter the Soviet Union. Our assistance to the Chinese could only serve to further encourage the Russians to undertake an Asian buildup. We could not cooperate in the nuclear field without violating treaties.

Finally, we should feel free to call upon the Japanese to do more in containing the Soviet Union, recognizing that Japan's efforts like the efforts of any other nation will be proportional to her interests, and recognizing that the Japanese do best while working through quiet economic strategies than through open political confrontation.

Though today may not be the appropriate time to make such a proposal, I hope that in the future the United States will encourage its businessmen to cooperate with the Japanese for the joint development of Siberian resources. CIA research has demonstrated that the Soviet Union will face energy shortages. Won't the Russians be increasingly receptive of ways to alleviate those shortages? Already, the Russians have agreed to prospect for natural gas, coal, and petroleum with the Japanese. For very little risk and for very little money, the United States could take a position in an important part of the Soviet economy.

We should not overestimate the clout that this investment will bring us. Since the time of NEP, foreigners have thought participation in the Soviet economy would bring political benefit and so far, they have been wrong. Certainly, scattered investment in a distant part of the Soviet empire will not give us a seat in the councils of the politburo. But still, it is worth a try. What's the downside risk?